

EXHIBIT 14

ZFL-2508355



A VIEW ON A ZUFFA'S STRATEGY TOWARD BRAZIL

STRICTLY PRIVATE & CONFIDENTIAL

CONFIDENTIAL

ZFL-2508355

Strictly Private & Confidential
© 2019 Ziffren Brittenham LLP

Summary

1. ZUFFA AND THE DEVELOPMENT OF MMA
2. FIGHTING IN BRAZIL: FROM “VALE TUDO” TO MMA
3. ZUFFA POSITIONING IN BRAZIL – THE CHALLENGES



Strictly Private & Confidential

ZUFFA AND THE DEVELOPMENT OF MMA



CONFIDENTIAL

ZFL-2508357

Strictly Private & Confidential
© 2019 Zuffa, LLC. All rights reserved.

ZUFFA AND THE DEVELOPMENT OF MMA

It's undisputable that Zuffa created MMA in its modern XXI century form

- ▽ Zuffa has been able to capitalize extensively on the growth of MMA in the last years.
- ▽ A complementary view is that MMA development was the result of Zuffa's competent work since UFC brand acquisition in 2001.
- ▽ Moreover, it is correct to say that MMA as a sport only exists today because of Zuffa's work.
- This leading position guarantees to Zuffa a very relevant share of the immense wealth created as a result of MMA development around the world.
- ▽ The stability and sustainability of its business model is key for Zuffa to keep this "status quo".

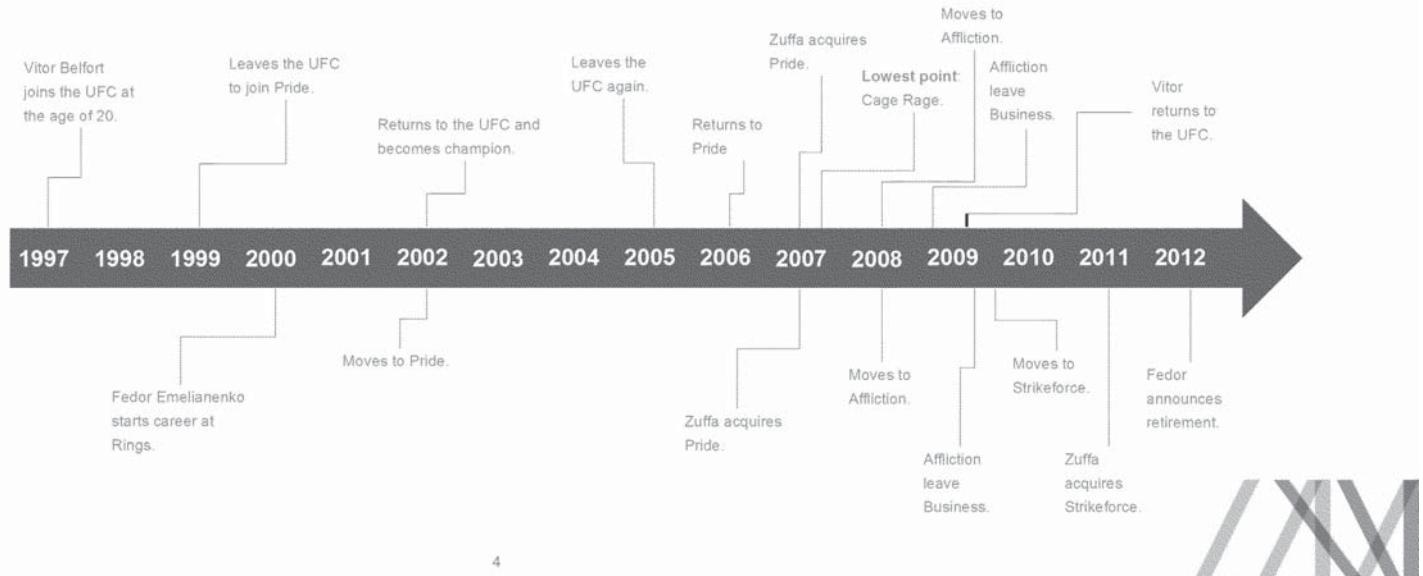


Strictly Private & Confidential
© 2019 Zuffa, LLC. All rights reserved.

ZUFFA AND THE DEVELOPMENT OF MMA

Zuffa's business model is based on an equilibrium among stakeholders.

- ▽ Zuffa's business model is based on an equilibrium among the stakeholders, mainly Zuffa, the fighters, managers and trainers.
Keeping this equilibrium is key to long term success.
- ▽ One risk to the model is the raise of a new, viable alternative organization that could become an option for fighters that are for some reason discontent with the UFC.
- In fact, recent failures of famed fighters to become viable outside the UFC (see Vitor Belfort and Fedor Emelianenko stories below) disprove this theory, but this risk in the future should not be entirely disregarded in our opinion.



Strictly Private & Confidential
© 2019 Zuffa, LLC. All rights reserved.

ZUFFA AND THE DEVELOPMENT OF MMA

To Zuffa's position in the long run it is important to keep it as the only viable alternative to a top tier fighter career

- ▽ The surge of a new organization could create a new alternative to new talented fighters to have a full career outside of the UFC.
- ▽ For its long term success, Zuffa needs to make sure that no new "Anderson Silva" or "Jon Jones" is developed outside of the organization.
- ▽ Another risk is to allow a disproportionate share of the value created by the business to migrate from Zuffa to the fighters or other actors in the industry in a process of disintermediation.
- ▽ This becomes specially dangerous when the UFC creates myths (GSP, Anderson, Jones, etc...).
- ▽ Myths tend to show independent will and could be able to anchor and viabilize new events by themselves.
- Creation of syndicates or managers with a too large pool of fighters may also shift the bargaining power away from Zuffa.
- Early signs of fighters strengthened position can already be noticed in recent episodes. Follows two case studies.

Case Study 1:

23/8/12: a knee injury of Dan Henderson forced the cancellation of his fight against Jon Jones. In the same day Dana White replaced Henderson for Chael Sonnen. Advised by his coach, Greg Jackson, Jon Jones declined. UFC 151 was the first ever to be cancelled. Dana White announces Jon Jones vs Lyoto Machida for UFC 152. Lyoto turns down the fight.



Strictly Private & Confidential

ZUFFA AND THE DEVELOPMENT OF MMA

In spite of its current dominant position, there are risks to Zuffa's position in the long run

Case Study 2:

Anderson Silva in Mar/12: "It's funny to say that, right? If that was the case, I would like to ask him if he'd like to split the UFC with Lorenzo, each would have their own show fighting for audience and sponsorship and everything else that involves their business. They're friends, partners... What I think is that friends shouldn't fight. Dana doesn't fight. He sells well the fight, he's a good promoter, but he isn't a fighter. I have nothing against Dana, I admire him, but he doesn't know what this is, and he can't say that two friends should fight. We spend more time together than with our own families. We share the pains, the frustrations, and just because he wants to sell a fight that he thinks it would be cool and that the public would like to see two companions fighting. He wants to match a fight with two friends? That's impossible, it only happens with people who aren't real friends. We have a philosophy in our team that, regardless of two being from the same weight class and the same objective of being UFC Champions, we know that this won't happen. MMA is not a collective sport. It's not normal for me to fight a guy that I live with everyday. It's natural to him, because he doesn't fight and hasn't even got pinched once."

Dana White reply: "This isn't baseball or football. They aren't a team. They train together, go out together, but they aren't a team that plays together. I'd like for Anderson to tell me if I'm wrong: he has the belt, the fame, the money, and it is because of that, that there are many guys who'd like to be Anderson Silva, especially those inside his gym and who are friends of his. Many friends of his would love to have that belt and they should fight for it. If they have to fight, it doesn't mean that they don't like each other, that they can't be friends. It's business, it's what they do for a living. If this was something I and Lorenzo would have to fight, we would. If Lorenzo has the title and I'd have to fight him, it's what would happen. It's not personal, it's only to see who's best. Imagine two famous teams in Brazil, such as Flamengo and Corinthians. Imagine if they would refuse to play against each other because they're friends, because they like each other. "We don't want to play you, we'd hurt your feelings." Oh Anderson, come on... Vitor used to train with him. Did you see what he did to his friend? I guarantee you that the guys that are his friends want to be like him. Your friends want your belt, and they won't pay your bills when you're done fighting, Anderson."



Strictly Private & Confidential
© 2019 Zuffa, LLC. All rights reserved.

ZUFFA AND THE DEVELOPMENT OF MMA

Zuffa responding properly to these challenges and keeping the lion's share of the value of the business within the organization

▽ Zuffa is facing these challenges in three ways:

1. Adding tangible value to the business intermediation instead of simply "extracting" value from the key actors that are the fighters;
2. Acting responsibly and generously with the athletes, coaches, managers;
3. Horizontal expansion by smashing competition.



Strictly Private & Confidential
© 2019 Zuffa, LLC. All rights reserved.

ZUFFA AND THE DEVELOPMENT OF MMA

1) Adding value to the business

- ▽ Zuffa created the sport in its modern form, turning it into an attractive entertainment for the average spectator, by adjusting and formatting the old rules in order to civilize it.
- ▽ Moreover, Zuffa also created a complete experience to the public that goes beyond the fights themselves. Watching the UFC live involves a flawless organization, a top rate venue, lights and sounds that resembles a Broadway spectacle.
- ▽ Watching it on the TV also implies in a pleasurable experience, with high quality images, accessories shows like the UFC Countdown, live weight-in, not to mention the TUF, a success on its own.
- ▽ Superb matchmaking.
- ▽ Transferring to the athletic commissions the responsibility over the referees.
- Creations of characters other than the fighters that became intrinsically attached to the show and became attractions by their own.



Strictly Private & Confidential
Not for Distribution Outside Firm

ZUFFA AND THE DEVELOPMENT OF MMA

1) Adding value to the business: character creation



Strictly Private & Confidential
Not for Distribution Outside Firm

ZUFFA AND THE DEVELOPMENT OF MMA

2) Acting responsibly to the athletes, trainers, managers

- ▽ Dana White acts with generosity and at the same time with authority to the athletes.
- ▽ Cash premiums to the best fight, best knock-out, best submission creates a meritocratic system and are a way to promote good fights.
- ▽ Punishing athletes that behave in unsporting manners like missing the weight-in.



Strictly Private & Confidential
© 2019 Zuffa, LLC. All rights reserved.

ZUFFA AND THE DEVELOPMENT OF MMA

3) Horizontal expansion by buying competitors

▽ Zuffa has been able to keep competition in check by buying competitors that could challenge its dominant position:

- Buys WFA
- Buys a stake in WEC
- Buys Pride
- Merge WEC into the UFC
- Buys Strikeforce



Strictly Private & Confidential

FIGHTING IN BRAZIL: FROM VALE-TUDO TO MMA



CONFIDENTIAL

ZFL-2508367

Strictly Private & Confidential

FIGHTING IN BRAZIL: FROM VALE-TUDO TO MMA

To understand MMA in Brazil at the present it is necessary to understand how it developed

- ▽ The history of “Vale Tudo” (no-holds-barred) in Brazil can’t be divorced from the history of Brazilian Jiu-Jitsu (BJJ).
- ▽ Until the late 80’s, the origin of Brazilian Jiu-Jitsu was told based on myths of creation, mostly passed from mouth to mouth in Rio de Janeiro’s academies ⁽¹⁾.

“Gastão Gracie was a diplomat in Pará state (north of Brazil) and helped a Japanese diplomat (Mitsuyo Maeda) in the region. Maeda was an old Japanese jiu-jitsu master (jiu-jitsu – a fight - was disappearing and was being replaced by judo – a sport - in Japan by that time) that, in return for this favor, agreed to teach the secrets of jiu-jitsu to Gastão’s son, Carlos, with the condition that Carlos never passed his teachings to anyone. Upon returning to Rio de Janeiro Carlos broke the oath and started teaching what he learned.

Eventually, he opened an academy. These technics were later improved by his brother, Hélio, that developed them further, focusing on levers due to his weak body constitution.”

- Recent research proves that this myth barely resembles the real story.
- In fact, in the early XIX century, Gastão Gracie, Carlos’ and Helio’s father, was a partner at a circus in Belém, Para’s capital. There he met Mitsuyo Maeda, a 5th dan Kodokan judoka that, after prize fighting around the world for ten years ended up settling in Belém, living as a fighter and working at Gastão’s circus.



Strictly Private & Confidential

FIGHTING IN BRAZIL: FROM VALE-TUDO TO MMA

Somehow the Gracies avoided being absorbed into mainstream judo

- ▽ Gastão's son, Carlos, became Maeda's apprentice. By no means he was the only one. In fact, Maeda opened his own academy in Belém and had many other students until his death in 1941.



and his students in Belem. Notice Carlos is present. This picture was likely taken after the return to Rio de Janeiro.

- ▽ Maeda taught Carlos what he new: the fundamentals of the recent born judo. Not the modern XXI century judo, but a proto-judo, before the rules that disincentive groundwork. Also, it is likely that, after years of prize fighting against grapplers and wrestlers around the world, Maeda should have developed further (and passed to his students) his ground technics.
- ▽ No student of Maeda⁽²⁾ other than Carlos passed on what is now called Brazilian Jiu Jitsu. Probably, after Maeda's death they were gradually absorbed by the main stream Kodokan judo that by that time was arriving in Brazil through the massive Japanese migration to Brazil that time.



Strictly Private & Confidential

FIGHTING IN BRAZIL: FROM VALE-TUDO TO MMA

BJJ differentiated into a new sport and the Vale Tudo became the way to prove superiority

- Carlos spent probably no more than three years under Maeda, before moving to Rio de Janeiro. Thus, it is not possible that he was a fully developed fighter when he left Belém.
 - In the natural course of things, Carlos teachings in Rio de Janeiro should have been absorbed into main stream judo, but against all odds, that was not the case and Brazilian Jiu-Jitsu differentiated in a new martial art.
 - Differentiation instead of absorption was possible due to three characteristics:
 - Isolation and focus in the team – for decades the Gracie academy was the only BJJ academy in Rio de Janeiro⁽³⁾;
 - A martial approach focusing in combat rather than sport practice;
 - A desperate need to prove superiority over other martial arts, mainly judo;
- ▽ Therefore the mindset of “Vale Tudo” is derived from this “martial approach” and “need proof of superiority” of early practitioners under the Gracie guardianship⁽⁴⁾.
- ▽ That was the Brazilian Jiu-Jitsu that shook the world at the UFC1 and unleashed the forces that created the modern MMA⁽⁵⁾.



Strictly Private & Confidential
© 2019 Commonwealth Security

FIGHTING IN BRAZIL: FROM VALE-TUDO TO MMA

BJJ and Vale Tudo were originally elite phenoms in Brazil

- Over time, with the development of cross-training in MMA, need to reassure superiority of a martial art over others is lost, but the teamwork sentiment survived and is still very strong among Brazilian fighters⁽⁶⁾. That helps to explain why Brazilians dislike to fight each other and are so reticent in fighting teammates⁽⁷⁾.
 - Another important misconception is that Vale Tudo in Brazil is a low income class sport in its origins. It was exactly the opposite.
 - Since the Gracies returned to Rio de Janeiro in the early 1920's, the Gracie academy was located in high end regions of the city. Many of the earlier Gracie students were reputed Brazilian politicians, businessman, etc...
- ▽ Most of the early Brazilian UFC fighters came from Rio de Janeiro's middle and high income classes. This was the case of Vitor Belfort, Pedro Rizzo, Murilo Bustamante, Marco Ruas among others.
- ▽ In the 2000's, after that spreading of Vale Tudo all over the country and the start of cross-training, the favorable demographics of the country helped to create good fighters in all echelons of society and all over the country.

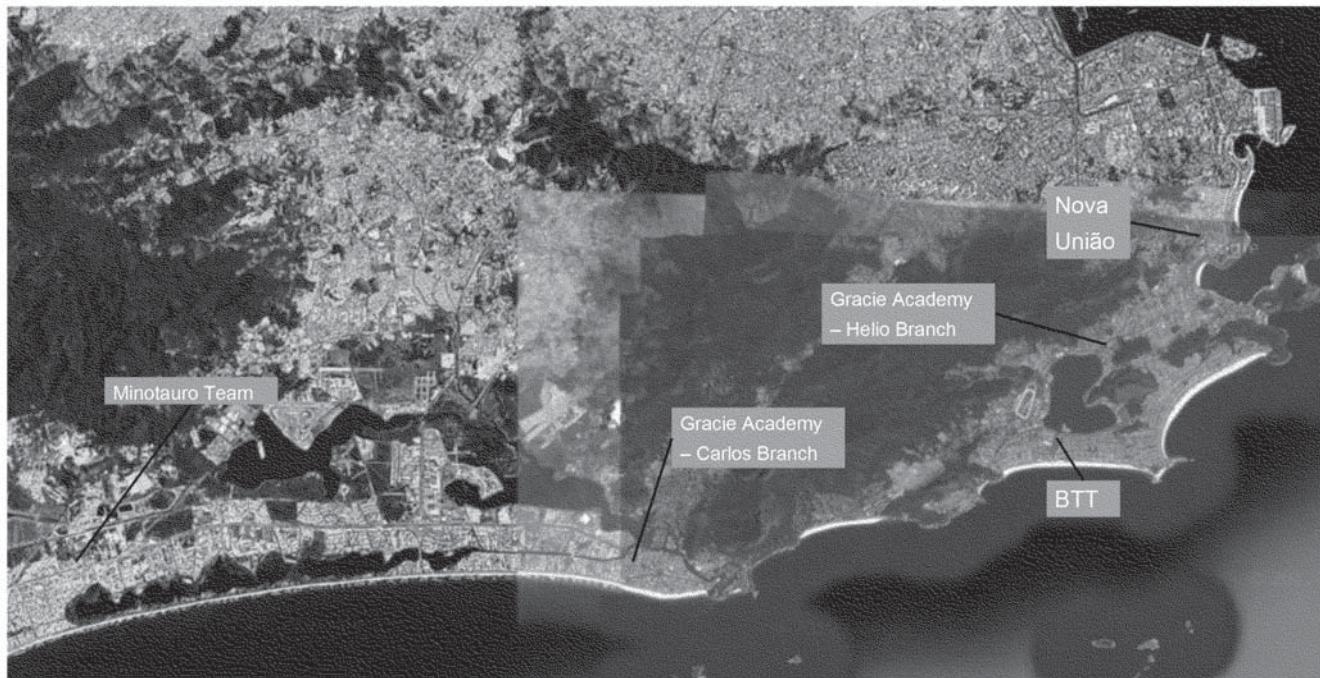


Strictly Private & Confidential
Source: Google Earth

FIGHTING IN BRAZIL: FROM VALE-TUDO TO MMA

Local MMA events are poorly organized

- But in spite of that, most of the top MMA academies are still located in premium locations in major urban centers. Below is a map of Rio de Janeiro with the location of academies that are worldwide recognized.



Strictly Private & Confidential

FIGHTING IN BRAZIL: FROM VALE-TUDO TO MMA

Local MMA events are poorly organized

- Based on all the above, the unique dynamics of this sport in Brazil has developed:
 - Brasil has natural advantages for MMA:
 - A century old history in the sport and the vale-tudo mindset;
 - Good demographics (almost 200 million habitants)
 - Cheap to practice in a country with low average annual income
 - To many people it is the only path away from poverty
 - Existence of very good training centers in the major cities allows for the full development of a fighter within the country.
 - Prospective fighters come to the training centers and develop a very strong teamwork sentiment since start practicing⁽⁸⁾.
 - They are “discovered” by local events and may eventually end up in the UFC.



Strictly Private & Confidential
© 2019, Littler LLP. All rights reserved.

FIGHTING IN BRAZIL: FROM VALE-TUDO TO MMA

Local MMA events are poorly organized

- Therefore local MMA events should be (and are) an important "sourcing" to the UFC. However, they have low economic value and a decent full career for a fighter within these events is not possible.
- These local events are generally:
 - Poorly organized;
 - Most event owners are also managers that favor their pupils;
 - Awards are ridiculous⁽⁹⁾;
 - Mostly local with few fighters crossing the interstate borders to fight;
 - Audience is mostly composed of teammates and practitioners, not the general public;



Strictly Private & Confidential
For Your Eyes Only

FIGHTING IN BRAZIL: FROM VALE-TUDO TO MMA

Comments

- (1) Actually, the word "Brazilian" was added to the "Jiu-Jitsu" term recently. Until the early 90's and the UFC advent, the jiu-jitsu practiced in Brazil was called simply jiu-jitsu and wasn't understood by Brazilian practitioners as different in anything from what they understood to be the Japanese Jiu-Jitsu.
- (2) There was another little known branch of Maeda that arrived in Rio de Janeiro through Luis Franca then Oswaldo Fadda. This branch was established in a low income neighborhood in Rio and was largely disregarded by the Gracies.
- (3) One interesting consequence of this focus on the team is that genealogy is still very important among practitioners. For example, Minotauro Nogueira is a black-belt from Ricardo de la Riva, that is a black-belt from Carlson Gracie, that is a black-belt from Carlos Gracie, that is a black-belt from Mitsuyo Maeda.
- (4) It is highly disputable among scholars if this martial approach was passed from Maeda to Carlos or if it was developed by Carlos and the other Gracies. It is known, however, that Maeda's approach to combat and to prove superiority was not highly regarded by the Kodokan.
- (5) It is interesting to note that Royce Gracie was only an average BJJ fighter in Brazil with no relevant accomplishments in local tournaments.
- (6) Very illustrative of this sentiment is the argument between Vitor Belfort and Wanderlei Silva in the TUF Brasil about two teammates fighting each other.
- (7) In a jiu-jitsu championship in Brazil, if two fighters of the same team are classified to the finals, they usually don't fight each other and decide the title by playing odds and evens!!
- (8) Only to mention current UFC champions, Jose Aldo came from Manaus to Rio de Janeiro, Renan Barao came from Natal to Rio de Janeiro and Junior Cigano came from Cacador to Salvador.
- (9) In a recent event, one of the largest in Brazil, awards to winners includes an exercise ball and a web based language course...



Strictly Private & Confidential

ZUFFA AND BRAZIL



CONFIDENTIAL

ZFL-2508376

Strictly Private & Confidential
Subject to Further Modification

ZUFFA POSITIONING IN BRAZIL

Considerations

- ✓ Zuffa's strategic view of deepening and enhancing its activities in Brazil is correct in our opinion.
- ✓ There is, however, a limitation in centering this strategy around major UFC branded live events.
- ✓ The number of live events is limited by:
 - ✓ The small number of Brazilian venues apt to hold a UFC style live event;
 - ✓ The relatively high average ticket;
- ✓ Over and above, we believe that Zuffa's strategy to Brazil should secure the source of new talents as early as possible in a country that is a "natural" breeder of talented fighters.
- ✓ That could be seen as a minor objective today (a natural born talent will certainly end-up in the UFC anyway), but it is a cheap way to early address the issues that will certainly arise in the future, discussed in the previous chapter.
- As the UFC reached a so high standard worldwide and is perceived as a place where only the best of the best are, using this brand to breed new talents could post a risk of losing such premium/desirable aspect of the brand.



Strictly Private & Confidential
© 2019 Zuffa, LLC. All rights reserved.

ZUFFA POSITIONING IN BRAZIL

Buying or creating a local brand: cheap, but does it make sense?

- ▽ One feasible alternative would be to buy a majority stake (or the totality) of a local already established brand/organization.
- ▽ There are a few local organizations that could be considered well established and relatively successful:

Event/Brand	Edition	Organizer
Jungle Fight	44	Wallid Ismail
Shooto Brasil	35	André Pederneiras
WOCS	23	Otávio Duarte
Bitteti Combat	13	Amaury Bitteti
Brasil Fight	6	Jairo Pastor

- ▽ Local organizations, however, are plagued by poor management, conflict of interests (owners are also managers) and a "spot basis" management of fights (no contracts with fighters).
- ▽ Therefore, the only value, if any, of these organizations to Zuffa would be the brand itself and its history.



Strictly Private & Confidential
© 2019 Zuffa LLC. All rights reserved.

ZUFFA POSITIONING IN BRAZIL

Buying or creating a local brand: cheap, but does it make sense?

- ∨ The awful awards in today's Brazil MMA (remember the exercise ball and the on-line language course), however, makes it easy for Zuffa to create a totally new brand in Brazil.
- ∨ On the other hand, a new brand, even backed by the UFC brand, would involve a considerable effort to gain space in the mindshare of the Brazilian public...
- ∨ ... and also would take a considerable amount of time.
- ∨ Conclusion: buying an existing organization in Brazil is to no avail and building a new brand demands an unreasonable amount of time and effort.



Strictly Private & Confidential
Not for Distribution Outside Company

ZUFFA POSITIONING IN BRAZIL

Zuffa already has a very strong alternative brand in Brazil.

- ▽ For years, while the UFC struggled to survive in the US, Pride was the main stage to Brazilian fighters.
- ▽ Virtually all the early Brazilian icons in the sport left their marks in the event:

Anderson Silva, Vitor Belfort, Mauricio Shogun among many others retired and still active fighters.



- ▽ Recall of the Pride brand is still very strong among Brazilian MMA fans.
- ▽ The brand is currently "shelved" and generating no income to Zuffa.
- ▽ The brand could be positioned some steps below the UFC, what would allow Zuffa to address the limitations of the widespread use of the UFC brand in Brazil:
 - ▽ Major large scale events should use the UFC brands, starring UFC fighters;
 - ▽ Smaller events should be held in smaller existing venues allover the country;
 - ▽ These events should present good quality, affordable tickets and the best Brazilian "rising stars", that would be strongly attracted by the reasonable payment and the fact that, being under the "UFC umbrella" would be a natural step toward the UFC (imagine Joe Silva attending one or two events per year);
 - ▽ Events could hold fights of Brazilians that passed their prime and are no longer at "UFC standard";
- ▽ The use of the Pride brand should be strictly local and under Zuffa guardianship to avoid any impact on the UFC brand.
- ▽ A total revamp of the Pride brand should be made, for it to become visually associated to the UFC brand.
- ▽ Long term objective of securing the sourcing of new talents would also be achieved.



Strictly Private & Confidential

ZUFFA POSITIONING IN BRAZIL

There are some alternatives to develop the Pride alternative in Brazil and implement Zuffa's strategy in Brazil

- ▽ Zuffa could implement its strategy of developing the Pride brand together in tandem with the UFC brand 100% internally, hiring a local management team, opening a local office and keeping full control of all activities;
 - ▽ This strategy has the advantage of avoiding any conflict of interest that may arise between local activities and Zuffa's global strategy.
- An "equity" strategy could be implemented, with Zuffa holding an equity stake together with a local partner. Roles and responsibilities should be clearly established.
- A "royalty only" strategy is also an alternative, where Zuffa would "license" the Pride brand to a Brazilian partner in exchange for a royalty.
- The best alternative is an open question, dependent on Zuffa's objectives and constraints. "Mixed alternatives" are also a possibility.
- An illustrative case study, mixing the "equity" strategy with the "royalty" strategy based on Vinci/Burger King arrangement, is shown in the next page.

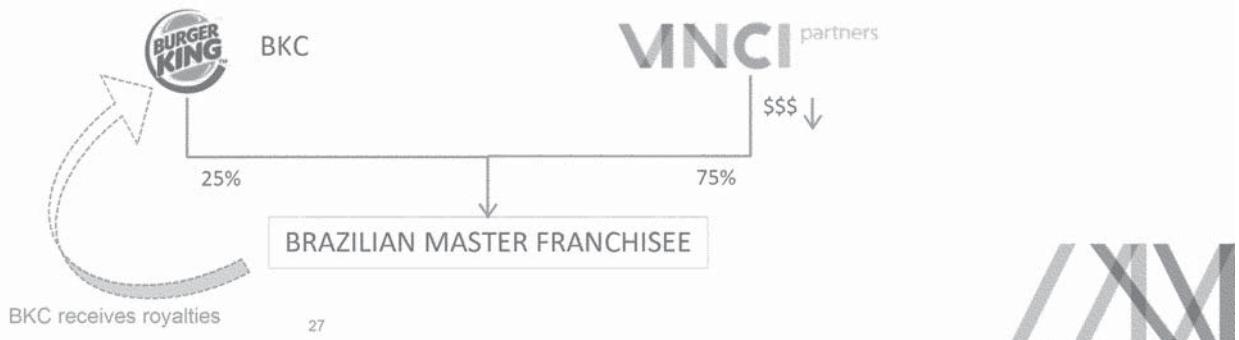


Strictly Private & Confidential

ZUFFA POSITIONING IN BRAZIL

Burger King in Brazil is a partnership between Vinci and Burger King Corporation

- ▽ Burger King Corporation (BKC) studied different models in order to tap high potential markets such as Brazil, China and Russia
- The chosen structure in Brazil was the creation of a JV between BKC and Vinci Partners to be the Brazilian “master franchisee”
 - Vinci (the local partner) contributed with primary money and local knowledge, and BKC remained with a minority stake in the JV
 - BKC has an equity stake in the JV, with a strong Shareholders Agreement, besides receiving royalties over restaurant revenues
 - This hybrid model combines the local know-how of a strong partner and the business expertise of the global operator, besides better aligning the interests between franchisor and franchisee than the regular franchise agreements
 - This structure was later replicated in China, Russia and other developing markets with different local partners



Strictly Private & Confidential

CONCLUSIONS



CONFIDENTIAL

ZFL-2508383

Strictly Private & Confidential
Subject to Protection Order

CONCLUSIONS

- Zuffa established a leading, dominant position in MMA scene.
- Risks are low at the moment but Zuffa should keep monitoring the challenges to its business model.
- Brazil has developed over the years a unique mentality towards MMA that, among other factors, implies in a strong competitive advantage in creating new talents in the sport.
- Zuffa's strategy towards Brazil should circumvent the limitations that the use of the UFC brand alone involves and as a secondary objective secure the sourcing of new Brazilian talents as early as possible, as soon as the fighter enters into the professional circuit, but respecting specific cultural aspects of the sport.
- We believe that the revival of the Pride brand, given its strong recall to Brazilian MMA fans, low cost to develop and possibility of a large number of live events per year should be considered.
- Implementation could be accomplished in a number of ways, from the 100% ownership model to the franchise model.

